CALPEEK

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Dick Rosengarten, Publisher E-Mail calpeek@aol.com No. 22
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***CAMPAIGN 2000:* IS McCLINTOCK'S VLF INITIATIVE THE PHANTOM MENACE OR REAL TAX RELIEF???**

Editor's note: Back on May 10th, ***Calpeek*** ran an update about Assemblyman Tom McClintock's new initiative to eliminate the vehicle license fee, sometimes called *the car tax*. The measure is on the street collecting signatures, hoping to qualify for the March 2000 ballot. But there's opposition and they are now on the warpath. Here's our analysis & commentary...

...For the past two weeks, political insiders have been waiting to see what Sacto BEE political columnist John Jacobs would write about McC's initiative. Jacobs essentially picked up where ***Calpeek*** left off – flushing out some of the weaknesses in McC's initiative. The column appeared in the May 25th edition of the BEE under the banner of ***McClintock's Pandora's box of car-tax wishes***. Not positive for McC, but that's life...

...The opposition to McC's initiative is coming from all directions. On the GOP side, one well known legislator told ***Calpeek***, "We've already cut the VLF by 67%, and remember when this VLF reduction came up in 1998, Tom voted **no**." McC never believed the so called *triggers* would be pulled to allow a reduction in the VLF – so he voted against the legislation and is now being called "***Tax Hike Tom***" by some of his GOP and Demo enemies...

...As ***Calpeek*** noted back on May 10th, local governments get a part of the VLF funds and in the case of Orange Co., they are using it to repay their bankruptcy bonds. McC sources have said that the initiative will replace the lost local funds (a backfill), but others don't buy that at all. Lenny Goldberg of the CA Tax Reform Assn. said, "The backfill money to local government is good as long as the State has the revenue. But eventually there will be a downturn in the economy and that's when the problems begin."...

...So local governments(and their unionized workers) have problems with McC's initiative, as do teachers (read that as the CTA) and other State public employee groups. And because McC's initiative also contains a section overturning the Sinclair Paint decision (when is a fee a fee and not a tax), businesses (especially construction companies) also may have problems with this initiative. That's a healthy start to a fairly impressive coalition lining up against McC's VLF initiative...

...And then there's the issue of vehicles being returned to the county property tax rolls if the VLF is scrapped. Until the mid-1930s, cars & trucks were taxed on the local property rolls. The VLF law changed that. Demo sources say McC's initiative **fails** to address this issue. There's no doubt the CA Legislature would fix this flaw, but if they don't, McC's measure would be a tax hike! In terms of a fix, there are some who suggest the time is right for a split roll on property taxes – in other words, no property tax on your personal car, but business vehicles would be hit. Get the picture???

...FYI: McC has convinced former VP Dan Quayle to endorse his initiative, thus injecting White House politics into this debate. A key GOP Calif. supporter of Texas Gov. George W. Bush said, "Good for Dan. He has hitched his wagon to an initiative that 'may' be a tax increase." Stay tuned...

***EL TORO Part III*: BATTLE OVER FUTURE AIRPORT MEANS FULL EMPLOYMENT ACT OF '99 FOR MANY.**

Editor's note: There seems little doubt that this El Toro international airport issue is once again headed for the ballot – probably in March of 2000. Thus the question again comes up: who wins, the airport supporters or foes? And here's where the ***spin doctors***

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are having a field day – because there seems to be a ton on each side - the *Full Employment Act of '99* for pr/pa firms, political consultants and others. Here's Part III of our update & analysis…

…Although this battle over the future use of El Toro Marine Corps Air Station has never stopped, even after two initiatives, it seems that the **spin wars** increased in intensity in late 1997. That's when anti-airport forces hired a savvy professional staff who started to pound away against the proposed airport. The spin wars escalated when in the fall of '98 the City of Newport Beach hired Fleishman/Hillard as well as Hill & Knowlton, two national p/r firms…

…Why two p/r firms? Who knows? But their task was to do battle in *favor* of the El Toro Airport and against ETRPA, the *El Toro Reuse & Planning Authority*, comprised of **8** southern cities in Orange Co., formed under a joint use authority with a big $4.5 million budget. Meg Waters of *Waters & Faubel* handles spinning for ETRPA, with Paul Eckles as exec. director. In addition to ETRPA, anti-airport forces also include two grassroots groups, *Taxpayers for Responsible Planning* and *Project '99*. These two groups are leading the charge for the 2000 ballot measure, with Campaign Strategies abroad as the political consultant…

…As we've noted in Parts I and II, cities in southern O.C. are passionately opposed to El Toro as a new airport, while cities in the northern part of the county are generally (but not passionately) in favor…

…Eventually Newport Beach axed Fleishman/Hillard, but not before the firm conducted a news media audit, which showed that Newport Beach had zero credibility on the airport issue, according to our sources. And that's when Newport Beach's original front group, the El Toro Task Force, was dumped in favor of a new coalition called *The Orange Co. Airport Alliance*. In addition to Newport Beach (which provides most of the heavy funding load), the Alliance includes the Orange Co. Business Council. Anaheim Mayor Tom Daly sits on the board of directors of the Alliance, with H&K handling the spin…

…This isn't the only group backing El Toro. The original group, known as *Citizens for Jobs & the Economy*, is still very active. O.C. developer George Argyros is still the *go-to guy* with this group, with former O.C. Sup. Bruce Nestande as the day-to-day guru. Nestande is a pretty good spinner too. In addition, there's also the *Airport Working Group*. This is a grassroots support organization with about 5,000 members and gets some funding from Newport Beach, with consultants Ellis/Hart & Assoc. handling spin. And finally, when this initiative goes on the ballot, we anticipate that pro-El Toro forces will again hire Forde & Mollrich to handle the pro-airport side in the battle…

…FYI: There is a website at **www.eltoroairport.org**. Very useful in terms of looking up current and past news about this controversy. Stay tuned…

CAMPAIGN 2000: CALIFORNIA INITIATIVE UPDATE.
Editor's note: Here are a few items about initiatives to mark down in your notebook…

■ ***Unz Tries Once Again*** – Confirmed by **Calpeek** sources: Ron Unz has made one last attempt to get the GOP Congressional delegation to go along with his Plan A for campaign reform (known as *Voters Rights 2000*). Plan A contains a provision abolish the current system of ***reapportionment*** done by the Legislature and replace it with a system under the jurisdiction of retired CA judges. The big hang-up, according to our sources, is U.S. Rep. Bill Thomas of Bakersfield, who has remained cool to Unz's proposal, perhaps because Unz's plan also includes public funding of campaigns, as well as a ***ban*** on corporate contributions. By the week of May 31st we'll know one way or another. If Thomas can again persuade his colleagues to give Unz the cold shoulder, Unz will go with his Plan D, a comprehensive campaign reform measure w/o ***reapportionment reform***. Our sources also confirm that Unz has printed a limited number of petitions for both plans --- just in case. FYI: four reapportionment reform plans drafted by GOP congressional types under Ted Costa's signature are due out of the AG's office this week…

■ ***None of the Above*** – This statute by Alan Shugate and Teri Shugart Erickson has turned in more than 650,000 signatures to various county registrars around the State. The initiative will probably qualify for the Mar. 7, 2000 primary. The petition drive began Jan. 11 and finished 3 weeks ahead of schedule. The petition drive was handled by Santa Monica-based Progressive Campaigns. If approved, Calif. voters would have an

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option of selecting *"None of the Above"* – as opposed to not casting a vote for anyone running for a specific office…

■ ***Competitive Bidding Initiative*** - *Taxpayers for Fair Competition*, a group which was organized back in 1998 to fight against Prop. 224 (to ban contracting out), is building another huge coalition for its own constitutional amendment which will allow contracting out at the State & local level for design services. The petition drive is being handled by Kimball Petition Mgt., while the campaign itself is under the direction of Woodward & McDowell. The deadline for submitting signatures is Aug. 23rd, but in reality the petitions have to be submitted by Aug. 20th. While Prop. 224 was defeated, Professional Engineers in CA Govt.(PECG), won a series of lawsuits which has almost the same impact as PECG's Prop. 224. That's why TFC has had to go to the ballot. Coalition members include the CA Chamber of Commerce, CA Taxpayers Assn., AGC of Calif., CA Business Roundtable and taxpayer groups from San Diego, Orange, Kern, Sonoma, Shasta and Butte counties. The key group sponsoring the initiative is Consulting Engineers & Land Surveyors of Calif…

***CAMPAIGN '99*: L.A. CITY CHARTER REFORM FIGHT.**
Editor's note: With about 2 weeks to go before the June 8th runoff election in L.A. City, the battle over reforming L.A. City's 75-year-old charter is turning into the home stretch. However, with so few voters expected to go to the polls, insiders are totally divided on whether Charter Amendment I (Charter Reform) will pass or fail. Here's our update & analysis…

…The man who has his reputation on the line is L.A. Mayor Richard Riordan, because ***charter reform*** is his baby. Charter reform was the mayor's response to the growing secession movement in the San Fernando Valley. And while Riordan's team has raised nearly $1.5 million to fight for Charter Amendment I, our sources say he has "dropped the ball" in this battle because "He's the guy who has to sell charter reform and thus far he's really hasn't spoken out forcefully enough, except to call those councilmembers who are opposed to charter reform ***those idiots***," Others disagree…

…Whatever the case, new polling data by Fairbank, Maslin, Maullin & Assoc. shows support at ***41%*** vs. ***36%*** opposed. FYI: an *L.A. Times* poll released a few weeks ago showed support at 45% vs. 23% against…

… Despite the fact that the YES side (*Citizens for Charter Reform*) has a narrow lead, in the last week all the *momentum* seems to have shifted to the NO side (*L.A. Taxpayers for Good Govt.*). After stringing both the Elected & Appointed Charter Commissions along (and winning major concessions, such as the Living Wage agreement), the L.A. Co. Federation of Labor (AFL-CIO) this past week voted to **oppose** charter reform. Some charter reform backers see this as a real double-cross. When combined with the L.A. Police Protective League and United Firefighters of L.A. City – we're talking 40,000 city workers who are represented by these groups…

…In terms of what voters can see and read, the YES side is on ***cable tv*** with a substantial buy (the ad is called "Outdated") and consultant Bill Carrick tells **Calpeek**, "Mail in on the way." As for the NO side, by the time you read this, at least 2 pieces of anti-charter reform mail will have dropped. The direct mail targets: likely voters in the 7th, 10th and 14th districts, plus other likely voters, especially in the Westside and Valley. In addition, the NO side is said to be on all 5 slates for this cycle. But the big question is whether there will be more money coming in? If this is it for the NO side (about $150,000) then the YES side has an edge…

…FYI: Some **Calpeek** sources suggest that this entire issue of charter reform has been mishandled from the get go. The election itself should have been conducted in March or November of 2000 – for obvious reasons. And linking council expansion to passage of charter reform was just dumb. That's why there's such a complete disconnect with government. Stay tuned…

CALPEEK'S CALENDAR OF POLITICAL EVENTS

June 8	L.A. Muni Runoff Election.
June 15	Calif. budget must be passed.
July 16	CA Legislature recesses
July 16-18	UC Davis Extension's 15th Annual Political Campaign Mgt. Institute @UC Davis…
July 16-19	Council of State Govts. West 1999 annual meeting, Sun Valley, Idaho
July 24-28	Nat'l Conf. of State Legislatures annual meeting, Indianapolis, IN

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CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.
Editor's note: Here are a few items, political and otherwise, worth noting…

◆ ***Changing GOP Presidential Primary*** – Is there a move underway to kill off the CA Republican Party's winner-take-all (the delegates) *Presidential Primary*? Our sources say YES and it could happen as soon as June 19th in Ontario when the CRP Executive Board meets at the Doubletree Inn. The force behind the move to dump the winner-take-all primary is CRP Chair John McGraw, according to ***Calpeek*** sources. In its place, GOP presidential candidates will compete for delegates in each of Calif.'s 52 congressional districts. And the GOP candidate who got the most overall votes Statewide would get 20 bonus delegates. IF the CRP actually does away with the winner-take-all primary, this has to be very good news for Steve Forbes, John McCain, Lamar Alexander, Dan Quayle and the others – but bad news for Texas Gov. George W. Bush Jr…

◆ ***3 Strikes Doc on PBS*** – A new documentary film about Calif.'s 3 Strikes law will air June 1 on PBS stations nationwide. The film - "The Legacy: Murder & Media, Politics and Prison" - was written, produced and directed by Michael J. Moore of S.F. According to a *Santa Rosa Press Democrat* story by Guy Kovner, in the film Marc Klaas dumps all over 3 Strikes law and its author Mike Reynolds of Fresno. Can't wait…

◆ ***Kaufman Gets Bradley Post*** – Demo campaign consultant Gale Kaufman has been hired by the Bradley for President campaign as a senior staff advisor to provide strategy in Calif. Bradley will be in Calif. from June 11-20…

◆ ***Villaraigosa vs MDs*** – An idea floated by Demo Assembly Speaker Antonio Villaraigosa to raise the medical malpractice cap beyond its current $250,000 limit recently ran into a stone wall within the Demo Caucus. And our sources say that if Villaraigosa had pushed, there would have been a move to oust him as Speaker. Why the brouhaha about the medical malpractice lawsuits within the Demo Caucus? Demo members don't want to be hit next year by the Calif. Medical Assn. – it's that simple…

◆ ***Recall Gov. Davis Over 187?*** – According to a story by Ann Pepper in the *Orange Co. Register*, backers of Prop. 187 are so POed with Gov. Gray Davis' stand against a 187 provision barring kids of undocumented parents from attending public schools, that they are considering a recall. **Calpeek's** response: get real! These 187 zealots in O.C. are GOPers (for the most part) and to pursue a recall against Davis over 187 would not only fail, but it would further inflame Latino feelings against the Republicans. Whoever dreamed up this recall thing ought to be *cloned* – so they could be whipped *twice*!!!

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.
Editor's note: Here are some items to mark down in your notebook…

● The Assn. of CA Tort Reform has changed its name to the Civil Justice Assn. of Calif…

● L.A.-based The Englander Group has been purchased by The MWW Group, the nation's 6th largest independent PR firm based in East Rutherford, N.J. Harvey Englander will serve as MWW Group Sr. VP and g/m of the L.A. office…

● Roberta Katz is the new CEO of The Technology Network, taking over from Reed Hastings…

● Doug Dowie, a sr. vp and partner at Fleishman-Hillard PR, has been named general mgr. of the firm's L.A. office. Sr. VP Lisa Robinson assumes the post of deputy general mgr…

CALPEEK'S MARKETPLACE NETWORK

● **Communications Coordinator.** Sacramento water association seeks experienced communications coordinator. Duties include preparing monthly newsletter, developing media relations and advocating for association. Salary negotiable. Fax resume to (916)442-4035…

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